

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN LEWIS-)	CASE NO. 9642-Y
RECTORVILLE WATER AND GAS DISTRICT)	

O R D E R

On February 4, 1987, the Commission issued its Order in Case No. 9642 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 2, 1990, Western Lewis-Rectorville Water and Gas District ("Western Lewis") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective January 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) Western Lewis's notice of January 2, 1990 set out certain revisions in rates which Western Lewis proposed to place into effect, said rates being designed to pass on a wholesale increase in price from its supplier in the amount of \$7,264 or 12.36 cents per Mcf.

(2) Transmission applied with the Federal Energy Regulatory Commission for an increase with an effective date of January 1, 1990. These rates are subject to refund; hence, Western Lewis's rates should be subject to refund. The effective date for Western Lewis's rates should be 30 days from the filing date or February 1, 1990.

(3) Western Lewis incorrectly calculated its proposed adjustment based on rates proposed and rejected in Case No. 9642-X.¹ The rates approved in Case No. 9642-X should be used as the basis for calculating Western Lewis's proposed adjustment.

(4) The corrected adjustment in Western Lewis's rates under the PGA provisions approved by the Commission in its Order in Case No. 9642 dated February 4, 1987 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1990, subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates proposed by Western Lewis are hereby denied.

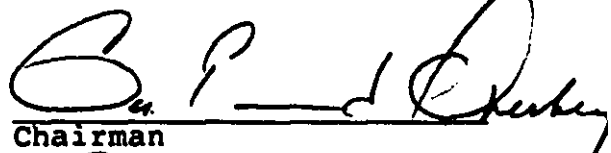
(2) The rates in the Appendix, attached hereto and incorporated herein, are hereby authorized effective with gas supplied on and after February 1, 1990, subject to refund.

(3) Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

¹ Case No. 9642-X, The Notice of Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District, Order dated December 28, 1989.

Done at Frankfort, Kentucky, this 1st day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9642-Y DATED 2/01/90

The following rates are prescribed for the customers served by Western Lewis-Rectorville Water and Gas District (Gas Division). All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Surcharge:

(1) Customer Charge	\$1.00 Per Month
(2) Usage Charge	\$.59 Per Mcf

Rates: Monthly

First	1,000 cu. ft. or less	\$7.04 (Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.9255
Next	5,000 cu. ft. per 1,000 cu. ft.	4.8755
Over	10,000 cu. ft. per 1,000 cu. ft.	4.7755

The base rate for the future application of the purchased gas adjustment clause of Western Lewis-Rectorville Water and Gas District (Gas Division) shall be:

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$3.6954 per Dth